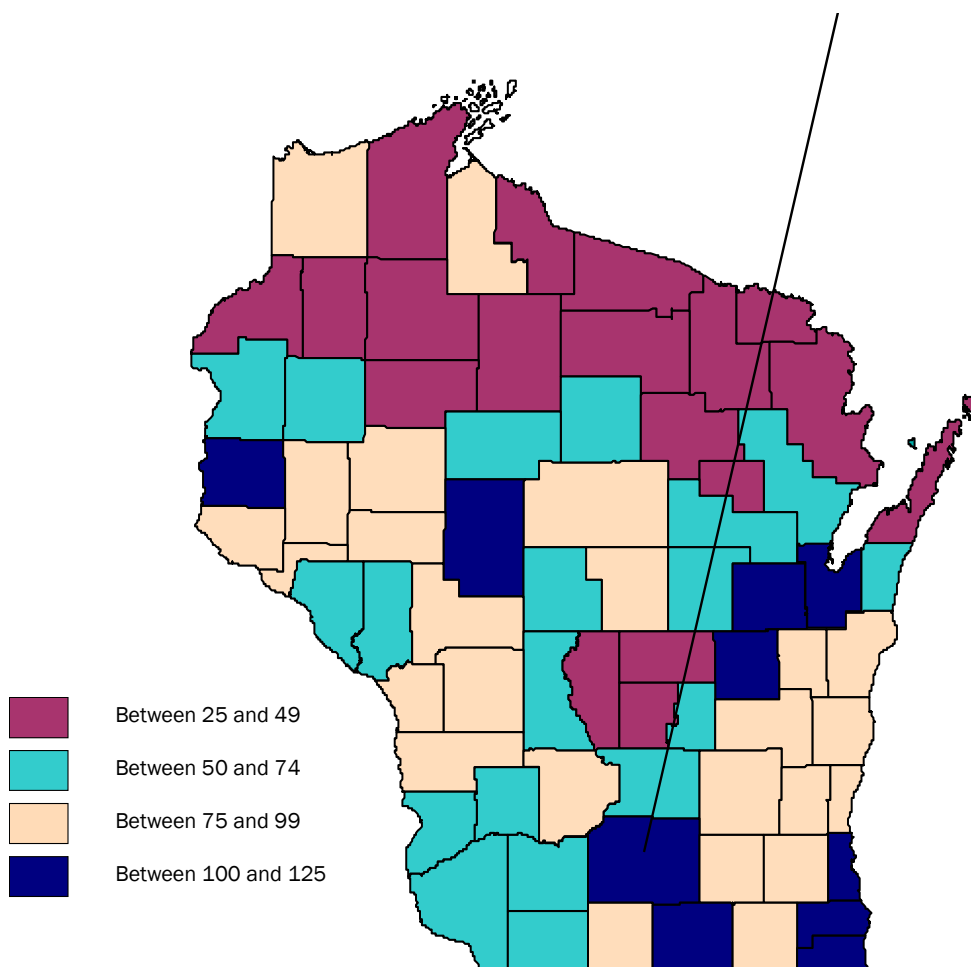


Dane County Workforce Profile



The number of residents aged 25-29 years for every
100 residents aged 60-64 years in year 2025



Source: Wisconsin Department of Administration, Demographic Services Center and the U.S. Bureau of Census.

For comparison, it is projected that there will be 90 residents aged 25-29 for every 100 residents aged 60-64 in Wisconsin in 2025. Nationally, it is projected that there will be 101 residents aged 25-29 for every 100 residents aged 60-64. In 2003, Wisconsin had 146 residents aged 25-29 for every 100 aged 60-64.



County Population

Population trends affect the supply of workers, the ability to attract employers and the demand for goods and services. Dane County added roughly 24,204 people or 5.7 percent to its population between the April 2000 Census and the January 2004 population estimates. Together, Sun Prairie, Verona, Fitchburg and Waunakee accounted for 15 percent of the county's population and 30 percent of its population growth.

Total Population

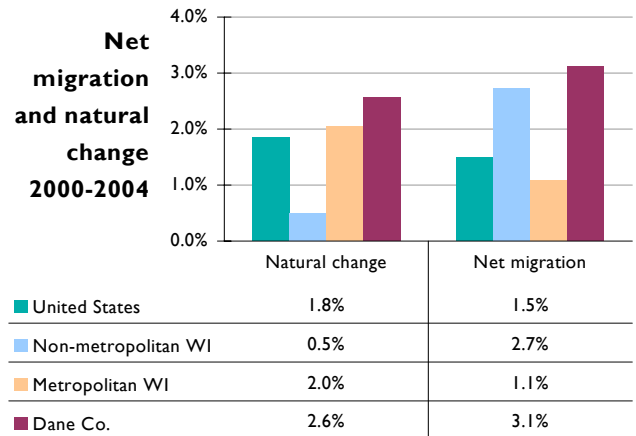
	April 2000 Census	Jan. 1, 2004 estimate	Numeric change	Percent change
United States	281,421,906	292,287,454	10,865,548	3.9%
Wisconsin	5,363,715	5,532,955	169,240	3.2%
Dane County	426,526	450,730	24,204	5.7%
Largest Municipalities				
Madison, City	208,054	217,935	9,881	4.7%
Sun Prairie, City	20,369	23,226	2,857	14.0%
Fitchburg, City	20,501	22,030	1,529	7.5%
Middleton, City	15,770	16,446	676	4.3%
Stoughton, City	12,354	12,654	300	2.4%
Waunakee, Village	8,995	10,002	1,007	11.2%
Verona, City	7,052	8,888	1,836	26.0%
De Forest, Village	7,368	8,061	693	9.4%
Oregon, Village	7,514	7,976	462	6.1%
Monona, City	8,018	7,965	-53	-0.7%

Source: Wis. Dept. of Administration, Demographic Services and U. S. Census Bureau

Beyond the fact that the county grew faster than the state (3.2%) or the nation (3.9%), the character of the county's population growth merits closer examination. The rate of natural change (births minus deaths) ÷ original population) was faster in Dane county than in metropolitan Wisconsin or the nation. Net migration was even stronger. Wisconsin demographers expect Dane's natural growth to continue to be strong, but expect net migration to slow considerably. The latter prediction would probably reverse current trends in housing prices and in-migration.

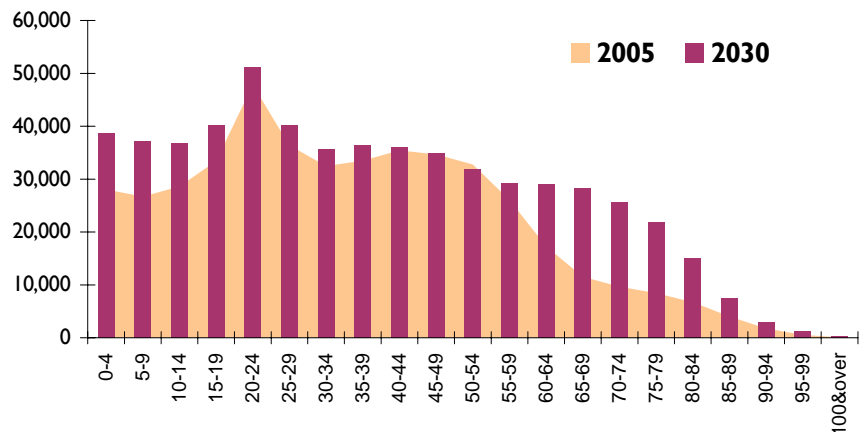
The graph to the right contrasts the age demographics of 2005 (the lighter area) with the age demographics pro-

jected for 2030 (the darker bars). The group of people at least 60 years old will grow from 59,997 people (13% of total population) to 132,009 people (23% of total population). The overall population will grow about 27 percent while the 60-and-over population grows 120 percent. In the year 2005, Dane County had 211 residents aged 25 to 29 for every 100 residents aged 60 to 64. By 2030 that number falls to 139. In 2005, projections suggest that 88,764 county residents will be aged 5 to 19 (approximately school ages). By 2030, this number will grow to 114,123. As the retired population grows faster than the working population, employers may face increasing challenges in finding workers and governments may face increasing challenges in funding competing education and social service goals.



Source: WI Dept. of Admin., Demographic Services and U. S. Census Bureau

Population by Age Groups in Dane County



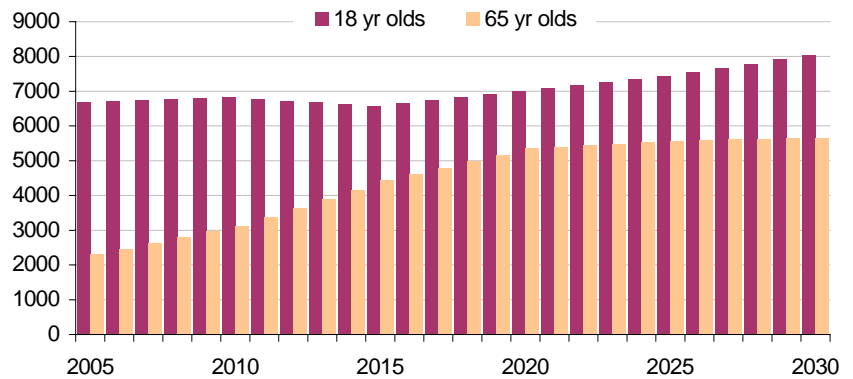
Source: WI Dept. of Administration, Demographic Services

Future Population and Labor Supply

The graph to the right asks how many people turn 18 each year and how many people turn 65 each year. Some workers enter the labor market later than the age of 18 and some leave before reaching 65, but these can be rough proxies for people entering the labor market and people leaving the labor market. Between 2005 and 2030, the number of residents turning 18 each year rises roughly 20 percent, from 6,685 to 8,039. Meanwhile the number of residents turning 65 each year grows 146 percent from 2,305 to 5,665. This has serious implications for any establishment whose customer base or employee pool includes significant numbers of baby boomers.

The baby boom (1946 to 1964) was dominated by white, non-Hispanic children. Subsequent increases in national birth rates relied heavily on Hispanic and non-white parents. The graph below shows that Dane County and Wisconsin lack the robust diversity that can help drive labor force growth. For reasons beyond the scope of this profile, the labor force participation rate (the frequency with which people work and look for work) tends to be higher among Hispanic and non-white populations than it is among white non-Hispanic populations.

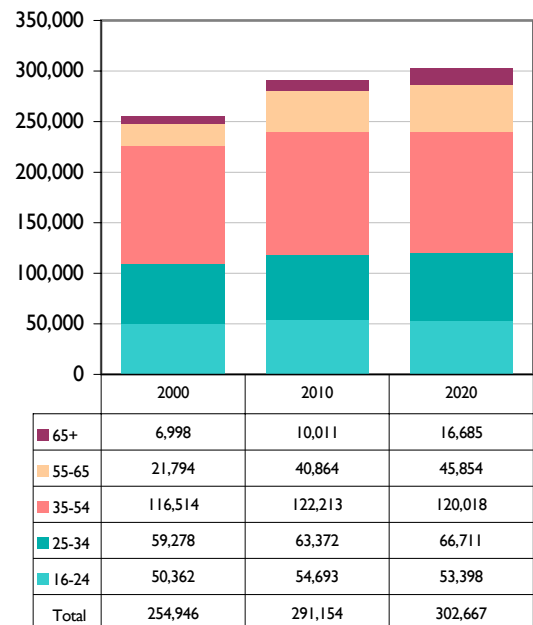
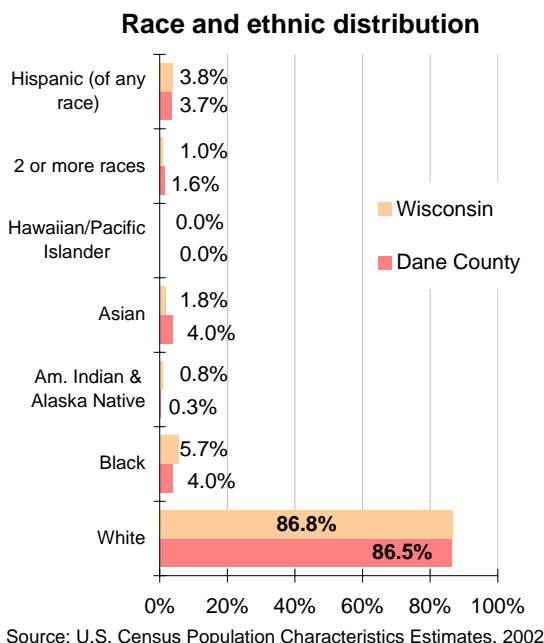
Convergence of 18 & 65 year old population in Dane County



Source: WI Dept. of Administration, Demographic Services

Below, the Labor Force Projections by Age graph is based on current participation in Dane County with adjustments in each age group based on national projections. The county's older cohorts are more white and non-Hispanic, so their participation rates may be below national levels. From 1990 to 2000, the labor force grew 23 percent. Between 2000 and 2010, it will grow about 14 percent. In the following decade (2010 to 2020) it will grow just 4 percent. Even changes much milder than predicted could constrain job growth.

Dane County Labor Force Projections by Age



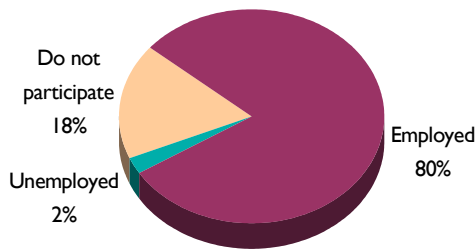
Decade change	22.8%	14.2%	4.0%
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Source: DWD, Office of Economic Advisors, August 2004

Current Labor Force

The participation rate is the share of the 16-and-over population that works or seeks work. In 2003, Dane County's participation rate (82%) exceeded Wisconsin's (72.9%) and the nation's (66.3%) by significant margins. Though higher than in the late 1990s, unemployment as a share of 16-and-over population (2%) was very low. As baby-boomers leave the labor force, it is not clear

Labor force participation in Dane County

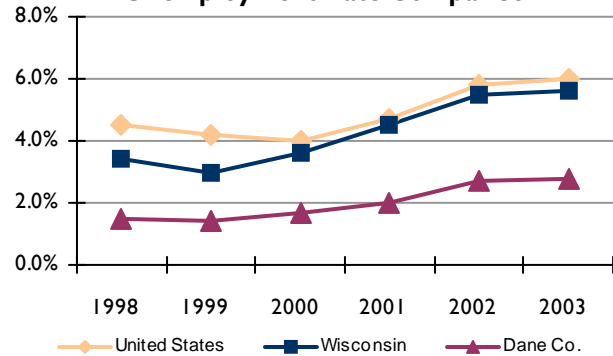


Source: DWD, Office of Economic Advisors, July 2004

where employers will find replacements. Retiring baby-boomers will increase the (very small) share of the population that does not participate and they will increase demand for services traditionally provided by younger workers (such as health care and home maintenance).

The unemployment rate graph below shows that Dane County's rates are far lower than statewide and national rates and fluctuate less over the business cycle. Exceptional educational attainment levels make underemployment as big an issue as unemployment.

Unemployment Rate Comparison



Dane County Civilian Labor Force Data

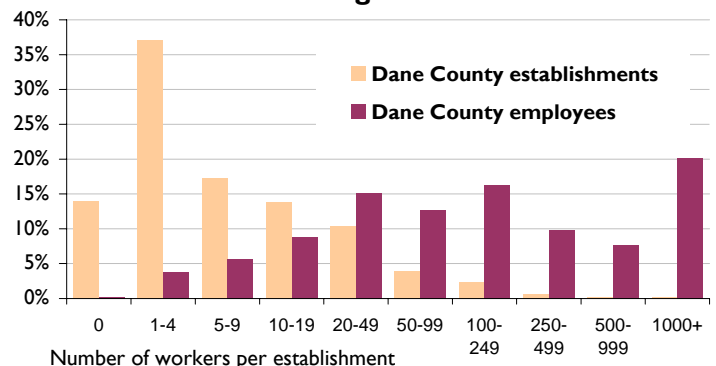
	1998	1999	2000	2001	2002	2003
Labor Force	261,618	258,602	266,490	277,934	279,698	287,140
Employed	257,586	255,066	262,047	272,335	272,132	278,961
Unemployed	4,032	3,536	4,443	5,599	7,566	8,179
Unemployment Rate	1.5%	1.4%	1.7%	2.0%	2.7%	2.8%

Source: WI DWD, Bur. of Workforce Information, Local Area Unemployment Statistics, 2003

Establishments by Size

Roughly 13,480 establishments reported operations in Dane County and 10,607 of them reported 49 or fewer employees. The lighter set of bars in the graph shows that the four size classes under 49 employees (1-4, 5-9, 10-19 and 20-49) together account for 79 percent of the reporting establishments. Meanwhile, 7 percent of establishments belong in the four size classes between 20 employees and 999 employees. This contrasts sharply with the darker set of bars, which shows that less than 33 percent of the jobs were with establishments in the 1-4, 5-9, 10-19 and 20-49 employee size classes, and about 46 percent of jobs were with establishments in the four size classes between 50 employees and 999 employees.

Share of establishments & employees in size range in 2003



Source: DWD, Bureau of Workforce Information, Table 221, July 2004

Industries & employers by size

Listed in upper table on this page, Dane County's ten largest industry groups provide roughly 49 percent of the jobs in the county. This list shows several industries that require advanced training or education that local institutions are exceptionally well equipped to provide and it shows several industries that are at least somewhat protected from business cycles.

Listed in the table in the middle of the page, Dane County's ten largest employers accounted for 17 percent of the jobs in the county. As the people in prime tax-paying years become a smaller share of the population, reliance on public funding (including Medicare or Social Security) could limit employment growth for some establishments.

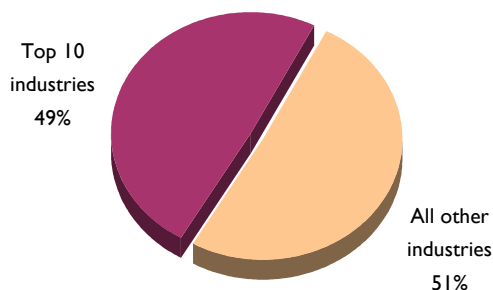
Top 10 Industries in Dane County

Industry	March 2004		Numeric Employment Change	
	Establishments	Employees	2003-2004	1999-2004
Educational services	138	33,301	77	2,834
Food services & drinking places	715	18,792	1,189	3,145
Professional & technical services	1,272	14,789	-491	1,944
Insurance carriers & related activities	299	14,768	849	2,905
Hospitals	8	13,105	499	2,434
Administrative & support services	472	11,043	328	687
Ambulatory health care services	389	10,799	85	2,035
Executive, legislative, & gen government	85	8,226	-188	-178
Specialty trade contractors	767	7,979	452	576
Nursing & residential care facilities	75	6,762	146	1,138

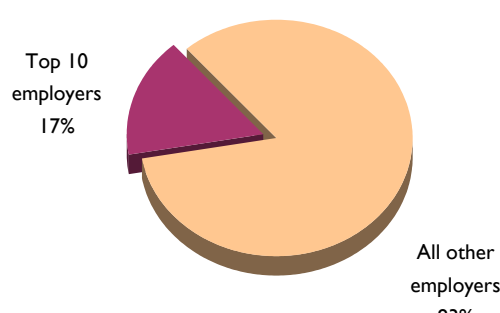
Top 10 Employers in Dane County

Establishment	Product or Service	Size (Dec. 2003)
University of Wisconsin--Madison	Colleges and universities	Over 999 employees
Madison Metropolitan School District	Elementary and secondary schools	Over 999 employees
Department of Health & Family Services	Administration of public health programs	Over 999 employees
American Family Mutual Insurance Co.	Direct property and casualty insurers	Over 999 employees
Department of Corrections	Correctional institutions	Over 999 employees
Wisconsin Physicians Service	Direct health and medical insurance carriers	Over 999 employees
U.W. Hospitals & Clinics Authority	General medical and surgical hospitals	Over 999 employees
City of Madison	Executive, legislative, & gen. government offices	Over 999 employees
University of Wisconsin Medical Foundation	Clinical practice group of U.W. medical faculty	Over 999 employees
Pleasant Company Inc.	Mail-order houses	Over 999 employees

Share of jobs in top 10 industries in Dane County



Share of Dane County jobs with top 10 employers

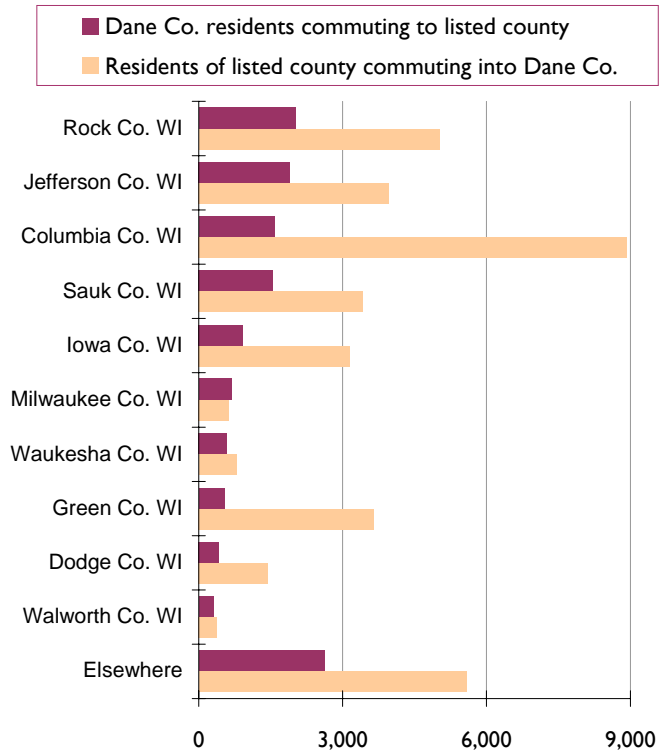


Source: DWD, Bureau of Workforce Information, Quarterly Census of Employment and Wages

Commuting

The 2000 Census reported that approximately 13,157 Dane County residents worked outside the county (about 5 percent of working residents). At the same time, roughly 36,985 workers from other counties commuted in (filling about 14 percent of the jobs located in the county). Dane County's exceptionally low unemployment rate, its high average wages and its concentration of professional and technical jobs pull in workers. As long as housing in the county costs much more than comparable housing in neighboring counties, commuting will remain attractive to many workers.

Pulling in more mature workers and retirees, Dane County's neighbors are older and the gap is growing. Columbia County, for example, will not continue to send a third of its working residents to Dane County for many more years. Neighbors that send workers to Dane by the thousands may try to lure some of Dane's younger workers to fill gaps left by their retiring baby-boomers. With a high participation rate and a low unemployment rate, any significant drop in inbound commuting could leave labor markets uncomfortably tight.



Source: U.S. Census 2000, Special tabulations: Worker Flow Files

Key occupations & wages

The table to the right lists some of the occupations with the greatest estimated employment in Dane County. The range bracketed by the 25th percentile wage and the 75th percentile wage might be called a typical wage range because a quarter of the occupation's workers earn less, a quarter earn more and about half earn a wage somewhere in the range.

Those occupations requiring less training and education tend to see lower wages and narrower wage ranges (e.g. cashiers and waiters/waitresses). These factors contribute to turnover. If labor markets tighten substantially, these positions could become harder to fill. Dane County generates a rich mix of occupational opportunities for vocational and professional workers alike; this helps draw skilled workers and employers who rely on them.

Occupation title	Hourly Wages			
	Mean	25 th	50 th	75 th
Retail salespersons	\$10.96	\$7.65	\$8.91	\$12.16
Cashiers	\$8.20	\$7.06	\$7.97	\$9.06
Registered nurses	\$24.76	\$21.28	\$24.65	\$27.99
Office clerks, general	\$12.19	\$9.64	\$11.60	\$14.52
Customer service representatives	\$14.16	\$11.20	\$13.14	\$16.08
Secretaries, except legal, medical, & executive	\$13.86	\$11.72	\$13.38	\$15.81
Waiters & waitresses	\$8.37	\$6.09	\$6.78	\$10.15
Laborers & freight, stock, & material movers, hand	\$11.03	\$9.04	\$10.40	\$12.87
Janitors & cleaners, except maids & housekeeping	\$10.31	\$7.96	\$9.40	\$11.46
Bookkeeping, accounting, & auditing clerks	\$14.40	\$11.89	\$14.19	\$16.64
Executive secretaries & admin. assistants	\$16.68	\$13.42	\$16.12	\$19.32
1st-line suprvs/mgrs. of office & admin. support	\$22.82	\$16.71	\$21.00	\$27.17
General & operations managers	\$46.82	\$28.49	\$41.34	\$59.06
Comb. food prep. & serving workers (fast food)	\$8.89	\$7.55	\$8.91	\$10.37
Sales reps, whsl. & mfg, except tech. & scientific	\$26.66	\$16.77	\$23.90	\$32.63
Nursing aides, orderlies, & attendants	\$11.77	\$9.98	\$11.61	\$13.44
Receptionists & information clerks	\$10.89	\$9.33	\$10.64	\$12.56
Computer systems analysts	\$27.04	\$21.86	\$26.73	\$32.31
Accountants & auditors	\$25.13	\$20.05	\$24.11	\$29.42
Team assemblers	\$11.49	\$9.63	\$11.20	\$13.28

Dane County is the Madison Metropolitan Statistical Area.

Source: DWD, BWI, Occupation Employment Statistics survey, 2003

Employment and Wages

Overall, Dane County establishments reported paying 10 percent more than the statewide all-industries average wage. The table to the right shows that average annual wages were high sectors such as construction (\$45,027), information (\$44,744) and financial activities (\$45,388). The education and health sector's average wage (\$39,385) is slightly lower, but the table below shows its total employment (67,258) to be so high that it generates \$2.6 billion in payroll. This sector also added more jobs than any other in 2003. The education services segment paid a higher average annual wage (\$42,256) than the health care and social assistance segment (\$36,898). Demographic analysis on pages 1-2 suggests that local demand for health care will grow faster than local demand for educational services in years to come.

The average wage in the trade, transportation and utilities sector (\$29,494) masks wide differences between wages in component segments: utilities

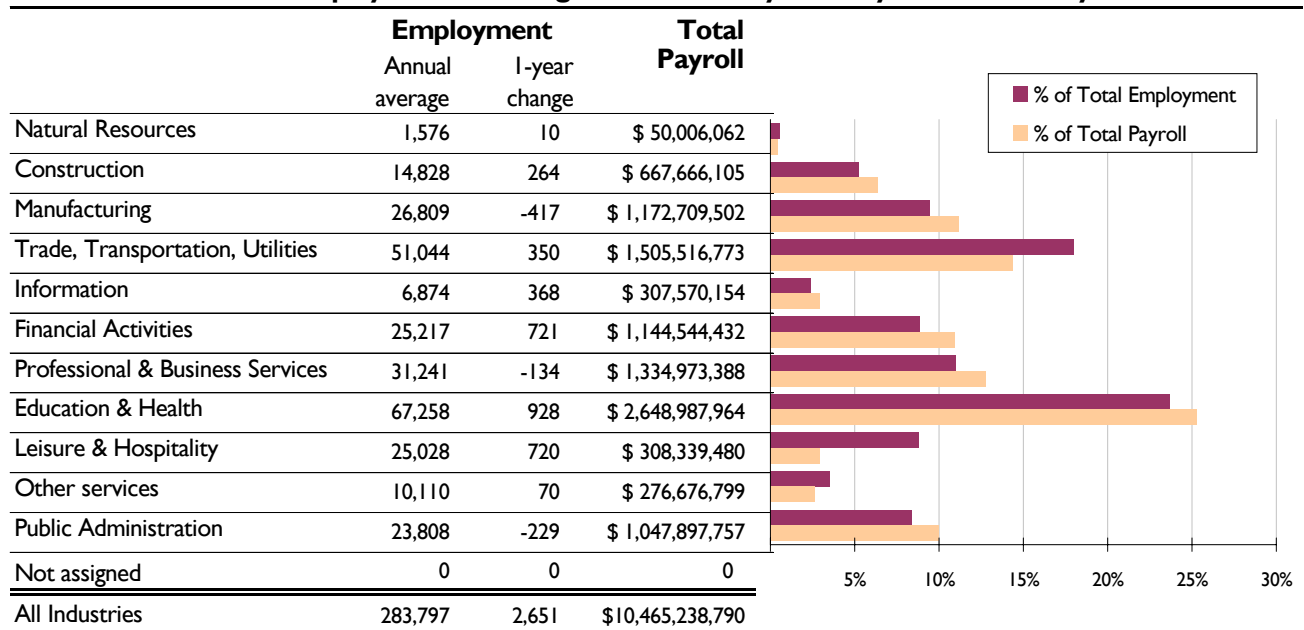
Average Annual Wage by Industry Division in 2003

	Average Annual Wage Wisconsin	Average Annual Wage Dane County	Percent of Wisconsin	1-year % change
All Industries	\$ 33,423	\$ 36,876	110.3%	4.3%
Natural resources	\$ 25,723	\$ 31,730	123.4%	2.3%
Construction	\$ 40,228	\$ 45,027	111.9%	1.4%
Manufacturing	\$ 42,013	\$ 43,743	104.1%	4.6%
Trade, Transportation, Utilities	\$ 28,896	\$ 29,494	102.1%	2.7%
Information	\$ 39,175	\$ 44,744	114.2%	-1.5%
Financial activities	\$ 42,946	\$ 45,388	105.7%	6.0%
Professional & Business Services	\$ 38,076	\$ 42,731	112.2%	5.3%
Education & Health	\$ 35,045	\$ 39,385	112.4%	5.3%
Leisure & Hospitality	\$ 12,002	\$ 12,320	102.6%	3.7%
Other services	\$ 19,710	\$ 27,367	138.8%	2.5%
Public Administration	\$ 35,689	\$ 44,015	123.3%	5.9%

Source: WI DWD, Bureau of Workforce Information, Quarterly Census of Employment & Wages

(\$60,191), wholesale trade (\$42,235), transportation and warehousing (\$33,310), and retail trade (\$21,989). The retail trade segment accounted for 61 percent of the sector's jobs. Dane County's professional and business services sector enjoys more jobs and a larger total payroll than any other county's (except Milwaukee's). The professional and business services sector's employment estimates were more encouraging in the third quarter of 2004 than the previous three quarters.

2003 Employment and Wage Distribution by Industry in Dane County



Source: WI DWD, Bureau of Workforce Information, Quarterly Census Employment and Wages, June 2004

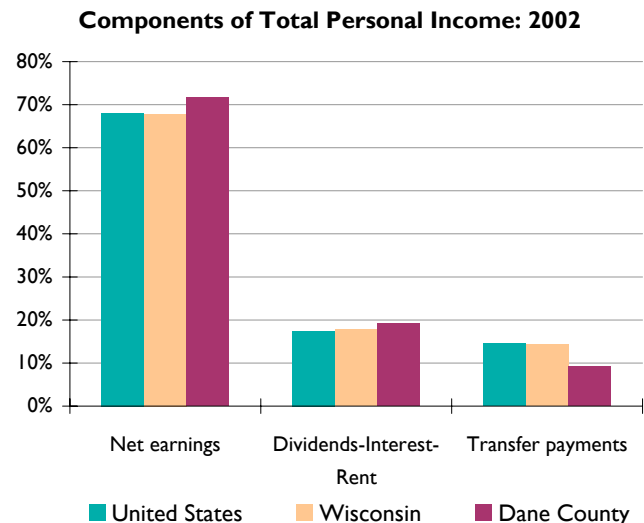
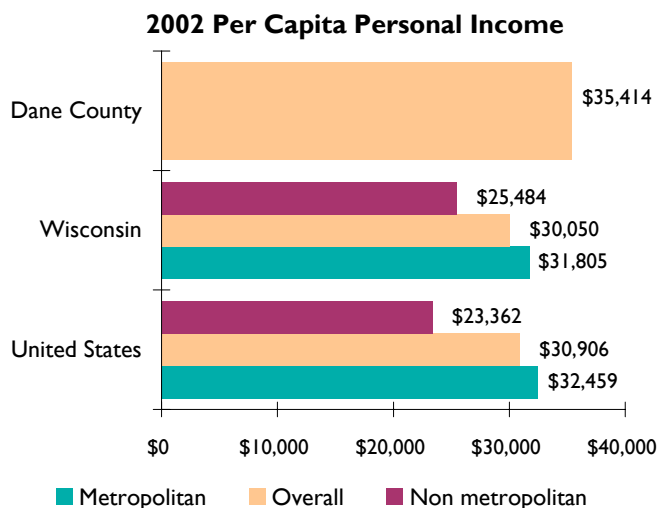
Per Capita Personal Income

In 2002, Dane County's per capita personal income (\$35,414) remained above metropolitan Wisconsin's PCPI (\$31,805) and the national metropolitan PCPI (\$32,459). Between 1997 and 2002, Dane County's PCPI growth (26.4%) slightly exceeded Wisconsin's (22.6%) and the nation's (22.0%). Since 1990, Dane County's PCPI has generally been 8 percent to 11 above metropolitan Wisconsin's. In 2001, inflation outpaced Wisconsin's PCPI growth and the nation's PCPI growth.

Growth in PCPI relates to demographic shifts discussed on pages 1-2. As a greater share of the population enters retirement, more residents rely on transfer payments (such as Social Security) and fewer have net earnings (typically associated with employment). Transfer payments are not likely to grow as fast as net earnings. Households with substantial investment income (dividends, interest or rent, including retirement or pension plans) are more likely to consider warmer climates for retirement, so PCPI growth may slow.

	Per Capita Personal Income						Percent Change	
	1997	1998	1999	2000	2001	2002	1 year	5 year
United States	\$25,334	\$26,883	\$27,939	\$29,847	\$30,527	\$30,906	1.2%	22.0%
Wisconsin	\$24,514	\$26,175	\$27,135	\$28,573	\$29,361	\$30,050	2.3%	22.6%
Metropolitan WI	\$25,972	\$27,711	\$28,770	\$30,317	\$31,106	\$31,805	2.2%	22.5%
Dane County	\$28,023	\$30,129	\$31,345	\$33,534	\$34,462	\$35,414	2.8%	26.4%
In current dollars (adjusted to U.S. CPI-U)								
United States	\$28,397	\$29,670	\$30,170	\$31,181	\$31,010	\$30,906	-0.3%	8.8%
Wisconsin	\$27,478	\$28,889	\$29,301	\$29,850	\$29,825	\$30,050	0.8%	9.4%
Metropolitan WI	\$29,111	\$30,584	\$31,067	\$31,672	\$31,598	\$31,805	0.7%	9.3%
Dane County	\$31,411	\$33,253	\$33,848	\$35,033	\$35,007	\$35,414	1.2%	12.7%

Source: U.S. Dept. of Commerce, Bureau of Economic Analysis, May 2004



Source: U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System, May 2004

The county workforce profiles are produced annually by the Office of Economic Advisors in the Wisconsin Department of Workforce Development. The author of this profile and regional contact for additional labor market information is:

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email: Dan.Barroilhet@dwd.state.wi.us

Metropolitan Statistical Area (MSA) - A single county or group of counties that include at least one urbanized area with a minimum population of 50,000. Multiple-county MSAs have a central county or counties, which have a high degree of social and economic integration with the other member counties as measured by commuting data.

Non-metropolitan county - Any county that is not a member of a metropolitan statistical area.

Net Migration - One of two components of population change. It is the net result of individuals who either moved into or out of an area.

Natural Change - One of two components of population change. It is the result of the number of births minus the number of deaths in an area over a period of time. A natural increase indicates there were more births than deaths. A natural decrease indicates there were more deaths than births.

Employed - Persons 16 years of age or older, who worked as paid employees, or worked in their own business, profession or farm, or worked 15 hours or more as unpaid workers in a family-operated enterprise. Includes those temporarily absent from their jobs due to illness, bad weather, vacation, childcare problems, labor dispute, maternity or paternity leave, or other family or personal obligations.

Unemployed - Persons 16 years of age or older with no employment, who were available for work and made efforts to find employment sometime during the previous 4-week period ending with the monthly reference week. Persons who were awaiting recall to a job did not need to look for work to be classified as unemployed.

Labor Force - The sum of the employed and unemployed, whom are at least 16 years of age and older.

Unemployment Rate - The number of unemployed divided by the labor force. It is expressed as a percentage of the labor force.

Labor Force Participation Rate (LFPR) - The labor force divided by the total population aged 16 years and older. It is expressed as a percentage of the population aged 16 years and older.

Suppressed - Data is withheld or suppressed if it does not meet certain criteria. If an industry in a county has fewer than three employers or if a single employer employs 80% or more that industry's total employment in that county then the data are suppressed. These criteria were established to maintain the confidential reporting of payroll and employment by employers.

Total Personal Income - The aggregate income of an area received by all persons from all sources. It is calculated as the sum of wage and salary disbursements (less contributions for government social insurance), supplements to wages and salaries, proprietors' income with inventory valuation and capital consumption adjustments, rental income of persons with capital consumption adjustment, personal dividend income, personal interest income, and personal current transfer receipts that include retirement and veteran's benefits, government paid medical reimbursements, and income maintenance program payments.

Per Capita Personal Income (PCPI) - Total personal income divided by the total population.

Current Dollars - Phrase used to express historical dollar values in terms of their current purchasing power via inflation adjustment.

CPI-U - Consumer Price Index for all urban consumers, the most commonly used measure of inflation in the United States.